

AMENDED IN ASSEMBLY MAY 27, 2008
AMENDED IN ASSEMBLY SEPTEMBER 6, 2007
AMENDED IN ASSEMBLY AUGUST 31, 2007
AMENDED IN ASSEMBLY JULY 5, 2007
AMENDED IN ASSEMBLY JUNE 20, 2007
AMENDED IN SENATE APRIL 18, 2007

SENATE BILL

No. 400

Introduced by Senator Corbett

February 21, 2007

An act to ~~add Section 1200.2 to the Health and Safety Code, and to amend Section 14132 of, and to add Section 14132.103 to the Welfare and Institutions Code, relating to Medi-Cal, and declaring the urgency thereof, to take effect immediately.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 400, as amended, Corbett. ~~Medi-Cal: federally-qualified health centers: prescribed drugs. Medi-Cal: outpatient prescription drugs.~~

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services and under which health care services are provided to qualified low-income persons. ~~Federally-qualified health center (FQHC) services described under federal law are covered Medi-Cal benefits. Existing law includes within the definition of an FQHC certain entities known as FQHC look-alikes, which have been determined to meet specified funding requirements, but have not received that funding.~~

Existing law requires that FQHCs be reimbursed on a per-visit basis, and allows an FQHC to apply for an adjustment to its per-visit rate based on a change in the scope of services it provides.

~~This bill would allow an FQHC to provide, and subject to the availability of federal financial participation, to bill the Medi-Cal program for, FQHC services, as defined, delivered at designated offsite locations by a provider who is an employee or a contracted member of the staff of the FQHC if specified requirements are met, and would make other conforming changes. The bill would also authorize the department, until January 1, 2010, to adopt emergency regulations to implement these provisions, as provided.~~

Under existing law, one of the benefits provided to Medi-Cal recipients is outpatient prescription drugs subject to the Medi-Cal List of Contract Drugs and utilization controls.

This bill would provide that the purchase of outpatient prescribed drugs executed in written, nonelectronic form, on or after ~~October 1, 2007~~ April 1, 2008, be on tamper resistant prescription forms to the extent required by federal law.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: ~~majority~~^{2/3}. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 ~~SECTION 1. Section 1200.2 is added to the Health and Safety~~
 2 ~~Code, to read:~~
 3 ~~1200.2. Notwithstanding Section 1200, a federally qualified~~
 4 ~~health center (FQHC), as defined in paragraph (1) of subdivision~~
 5 ~~(a) of Section 14132.103 of the Welfare and Institutions Code,~~
 6 ~~may provide services to the patients of the FQHC at the FQHC's~~
 7 ~~site or sites, and at any offsite location that is authorized pursuant~~
 8 ~~to paragraph (1) of subdivision (b) of Section 14132.103 of the~~
 9 ~~Welfare and Institutions Code. Services to FQHC patients in any~~
 10 ~~location or facility where the care is provided by FQHC staff shall~~
 11 ~~be provided under the respective responsibilities of the governing~~
 12 ~~body, the administrators, and the medical director of the FQHC.~~
 13 ~~This section shall not be construed to require a licensed health~~
 14 ~~facility to permit the staff of the FQHC to provide services in that~~
 15 ~~facility if the staff member is not a member of the organized~~

~~medical staff of the health facility to the extent required by
subdivision (f) of Section 1275.~~

~~SEC. 2.~~

SECTION 1. Section 14132 of the Welfare and Institutions Code is amended to read:

14132. The following is the schedule of benefits under this chapter:

(a) Outpatient services are covered as follows:

Physician, hospital or clinic outpatient, surgical center, respiratory care, optometric, chiropractic, psychology, podiatric, occupational therapy, physical therapy, speech therapy, audiology, acupuncture to the extent federal matching funds are provided for acupuncture, and services of persons rendering treatment by prayer or healing by spiritual means in the practice of any church or religious denomination insofar as these can be encompassed by federal participation under an approved plan, subject to utilization controls.

(b) Inpatient hospital services, including, but not limited to, physician and podiatric services, physical therapy and occupational therapy, are covered subject to utilization controls.

(c) Nursing facility services, subacute care services, and services provided by any category of intermediate care facility for the developmentally disabled, including podiatry, physician, nurse practitioner services, and prescribed drugs, as described in subdivision (d), are covered subject to utilization controls. Respiratory care, physical therapy, occupational therapy, speech therapy, and audiology services for patients in nursing facilities and any category of intermediate care facility for the developmentally disabled are covered subject to utilization controls.

(d) (1) Purchase of prescribed drugs is covered subject to the Medi-Cal List of Contract Drugs and utilization controls.

(2) Purchase of drugs used to treat erectile dysfunction or any off-label uses of those drugs are covered only to the extent that federal financial participation is available.

(3) (A) To the extent required by federal law, the purchase of outpatient prescribed drugs, for which the prescription is executed by a prescriber in written, nonelectronic form on or after ~~October 1, 2007~~ April 1, 2008, is covered only when executed on a tamper resistant prescription form. The implementation of this paragraph shall conform to the guidance issued by the federal Centers of

1 Medicare and Medicaid Services but shall not conflict with state
2 statutes on the characteristics of tamper resistant prescriptions for
3 controlled substances, including Section 11162.1 of the Health
4 and Safety Code. The department shall provide providers and
5 beneficiaries with as much flexibility in implementing these rules
6 as allowed by the federal government. The department shall notify
7 and consult with appropriate stakeholders in implementing,
8 interpreting, or making specific this paragraph.

9 (B) Notwithstanding Chapter 3.5 (commencing with Section
10 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
11 the department may take the actions specified in subparagraph (A)
12 by means of a provider bulletin or notice, policy letter, or other
13 similar instructions without taking regulatory action.

14 (e) Outpatient dialysis services and home hemodialysis services,
15 including physician services, medical supplies, drugs and
16 equipment required for dialysis, are covered, subject to utilization
17 controls.

18 (f) Anesthesiologist services when provided as part of an
19 outpatient medical procedure, nurse anesthetist services when
20 rendered in an inpatient or outpatient setting under conditions set
21 forth by the director, outpatient laboratory services, and X-ray
22 services are covered, subject to utilization controls. Nothing in
23 this subdivision shall be construed to require prior authorization
24 for anesthesiologist services provided as part of an outpatient
25 medical procedure or for portable X-ray services in a nursing
26 facility or any category of intermediate care facility for the
27 developmentally disabled.

28 (g) Blood and blood derivatives are covered.

29 (h) (1) Emergency and essential diagnostic and restorative
30 dental services, except for orthodontic, fixed bridgework, and
31 partial dentures that are not necessary for balance of a complete
32 artificial denture, are covered, subject to utilization controls. The
33 utilization controls shall allow emergency and essential diagnostic
34 and restorative dental services and prostheses that are necessary
35 to prevent a significant disability or to replace previously furnished
36 prostheses which are lost or destroyed due to circumstances beyond
37 the beneficiary's control. Notwithstanding the foregoing, the
38 director may by regulation provide for certain fixed artificial
39 dentures necessary for obtaining employment or for medical
40 conditions that preclude the use of removable dental prostheses,

1 and for orthodontic services in cleft palate deformities administered
2 by the department's California Children Services Program.

3 (2) For persons 21 years of age or older, the services specified
4 in paragraph (1) shall be provided subject to the following
5 conditions:

6 (A) Periodontal treatment is not a benefit.

7 (B) Endodontic therapy is not a benefit except for vital
8 pulpotomy.

9 (C) Laboratory processed crowns are not a benefit.

10 (D) Removable prosthetics shall be a benefit only for patients
11 as a requirement for employment.

12 (E) The director may, by regulation, provide for the provision
13 of fixed artificial dentures that are necessary for medical conditions
14 that preclude the use of removable dental prostheses.

15 (F) Notwithstanding the conditions specified in subparagraphs
16 (A) to (E), inclusive, the department may approve services for
17 persons with special medical disorders subject to utilization review.

18 (3) Paragraph (2) shall become inoperative July 1, 1995.

19 (i) Medical transportation is covered, subject to utilization
20 controls.

21 (j) Home health care services are covered, subject to utilization
22 controls.

23 (k) Prosthetic and orthotic devices and eyeglasses are covered,
24 subject to utilization controls. Utilization controls shall allow
25 replacement of prosthetic and orthotic devices and eyeglasses
26 necessary because of loss or destruction due to circumstances
27 beyond the beneficiary's control. Frame styles for eyeglasses
28 replaced pursuant to this subdivision shall not change more than
29 once every two years, unless the department so directs.

30 Orthopedic and conventional shoes are covered when provided
31 by a prosthetic and orthotic supplier on the prescription of a
32 physician and when at least one of the shoes will be attached to a
33 prosthesis or brace, subject to utilization controls. Modification
34 of stock conventional or orthopedic shoes when medically
35 indicated, is covered subject to utilization controls. When there is
36 a clearly established medical need that cannot be satisfied by the
37 modification of stock conventional or orthopedic shoes,
38 custom-made orthopedic shoes are covered, subject to utilization
39 controls.

1 Therapeutic shoes and inserts are covered when provided to
2 beneficiaries with a diagnosis of diabetes, subject to utilization
3 controls, to the extent that federal financial participation is
4 available.

5 (l) Hearing aids are covered, subject to utilization controls.
6 Utilization controls shall allow replacement of hearing aids
7 necessary because of loss or destruction due to circumstances
8 beyond the beneficiary's control.

9 (m) Durable medical equipment and medical supplies are
10 covered, subject to utilization controls. The utilization controls
11 shall allow the replacement of durable medical equipment and
12 medical supplies when necessary because of loss or destruction
13 due to circumstances beyond the beneficiary's control. The
14 utilization controls shall allow authorization of durable medical
15 equipment needed to assist a disabled beneficiary in caring for a
16 child for whom the disabled beneficiary is a parent, stepparent,
17 foster parent, or legal guardian, subject to the availability of federal
18 financial participation. The department shall adopt emergency
19 regulations to define and establish criteria for assistive durable
20 medical equipment in accordance with the rulemaking provisions
21 of the Administrative Procedure Act (Chapter 3.5 (commencing
22 with Section 11340) of Part 1 of Division 3 of Title 2 of the
23 Government Code).

24 (n) Family planning services are covered, subject to utilization
25 controls.

26 (o) Inpatient intensive rehabilitation hospital services, including
27 respiratory rehabilitation services, in a general acute care hospital
28 are covered, subject to utilization controls, when either of the
29 following criteria are met:

30 (1) A patient with a permanent disability or severe impairment
31 requires an inpatient intensive rehabilitation hospital program as
32 described in Section 14064 to develop function beyond the limited
33 amount that would occur in the normal course of recovery.

34 (2) A patient with a chronic or progressive disease requires an
35 inpatient intensive rehabilitation hospital program as described in
36 Section 14064 to maintain the patient's present functional level as
37 long as possible.

38 (p) Adult day health care is covered in accordance with Chapter
39 8.7 (commencing with Section 14520).

1 (q) (1) Application of fluoride, or other appropriate fluoride
2 treatment as defined by the department, other prophylaxis treatment
3 for children 17 years of age and under, are covered.

4 (2) All dental hygiene services provided by a registered dental
5 hygienist in alternative practice pursuant to Sections 1768 and
6 1770 of the Business and Professions Code may be covered as
7 long as they are within the scope of Denti-Cal benefits and they
8 are necessary services provided by a registered dental hygienist
9 in alternative practice.

10 (r) (1) Paramedic services performed by a city, county, or
11 special district, or pursuant to a contract with a city, county, or
12 special district, and pursuant to a program established under Article
13 3 (commencing with Section 1480) of Chapter 2.5 of Division 2
14 of the Health and Safety Code by a paramedic certified pursuant
15 to that article, and consisting of defibrillation and those services
16 specified in subdivision (3) of Section 1482 of the article.

17 (2) All providers enrolled under this subdivision shall satisfy
18 all applicable statutory and regulatory requirements for becoming
19 a Medi-Cal provider.

20 (3) This subdivision shall be implemented only to the extent
21 funding is available under Section 14106.6.

22 (s) In-home medical care services are covered when medically
23 appropriate and subject to utilization controls, for beneficiaries
24 who would otherwise require care for an extended period of time
25 in an acute care hospital at a cost higher than in-home medical
26 care services. The director shall have the authority under this
27 section to contract with organizations qualified to provide in-home
28 medical care services to those persons. These services may be
29 provided to patients placed in shared or congregate living
30 arrangements, if a home setting is not medically appropriate or
31 available to the beneficiary. As used in this section, “in-home
32 medical care service” includes utility bills directly attributable to
33 continuous, 24-hour operation of life-sustaining medical equipment,
34 to the extent that federal financial participation is available.

35 As used in this subdivision, in-home medical care services,
36 include, but are not limited to:

37 (1) Level of care and cost of care evaluations.

38 (2) Expenses, directly attributable to home care activities, for
39 materials.

40 (3) Physician fees for home visits.

- 1 (4) Expenses directly attributable to home care activities for
- 2 shelter and modification to shelter.
- 3 (5) Expenses directly attributable to additional costs of special
- 4 diets, including tube feeding.
- 5 (6) Medically related personal services.
- 6 (7) Home nursing education.
- 7 (8) Emergency maintenance repair.
- 8 (9) Home health agency personnel benefits which permit
- 9 coverage of care during periods when regular personnel are on
- 10 vacation or using sick leave.
- 11 (10) All services needed to maintain antiseptic conditions at
- 12 stoma or shunt sites on the body.
- 13 (11) Emergency and nonemergency medical transportation.
- 14 (12) Medical supplies.
- 15 (13) Medical equipment, including, but not limited to, scales,
- 16 gurneys, and equipment racks suitable for paralyzed patients.
- 17 (14) Utility use directly attributable to the requirements of home
- 18 care activities which are in addition to normal utility use.
- 19 (15) Special drugs and medications.
- 20 (16) Home health agency supervision of visiting staff which is
- 21 medically necessary, but not included in the home health agency
- 22 rate.
- 23 (17) Therapy services.
- 24 (18) Household appliances and household utensil costs directly
- 25 attributable to home care activities.
- 26 (19) Modification of medical equipment for home use.
- 27 (20) Training and orientation for use of life-support systems,
- 28 including, but not limited to, support of respiratory functions.
- 29 (21) Respiratory care practitioner services as defined in Sections
- 30 3702 and 3703 of the Business and Professions Code, subject to
- 31 prescription by a physician and surgeon.
- 32 Beneficiaries receiving in-home medical care services are entitled
- 33 to the full range of services within the Medi-Cal scope of benefits
- 34 as defined by this section, subject to medical necessity and
- 35 applicable utilization control. Services provided pursuant to this
- 36 subdivision, which are not otherwise included in the Medi-Cal
- 37 schedule of benefits, shall be available only to the extent that
- 38 federal financial participation for these services is available in
- 39 accordance with a home- and community-based services waiver.

1 (t) Home- and community-based services approved by the
2 United States Department of Health and Human Services may be
3 covered to the extent that federal financial participation is available
4 for those services under waivers granted in accordance with Section
5 1396n of Title 42 of the United States Code. The director may
6 seek waivers for any or all home- and community-based services
7 approvable under Section 1396n of Title 42 of the United States
8 Code. Coverage for those services shall be limited by the terms,
9 conditions, and duration of the federal waivers.

10 (u) Comprehensive perinatal services, as provided through an
11 agreement with a health care provider designated in Section
12 14134.5 and meeting the standards developed by the department
13 pursuant to Section 14134.5, subject to utilization controls.

14 The department shall seek any federal waivers necessary to
15 implement the provisions of this subdivision. The provisions for
16 which appropriate federal waivers cannot be obtained shall not be
17 implemented. Provisions for which waivers are obtained or for
18 which waivers are not required shall be implemented
19 notwithstanding any inability to obtain federal waivers for the
20 other provisions. No provision of this subdivision shall be
21 implemented unless matching funds from Subchapter XIX
22 (commencing with Section 1396) of Chapter 7 of Title 42 of the
23 United States Code are available.

24 (v) Early and periodic screening, diagnosis, and treatment for
25 any individual under 21 years of age is covered, consistent with
26 the requirements of Subchapter XIX (commencing with Section
27 1396) of Chapter 7 of Title 42 of the United States Code.

28 (w) Hospice service which is Medicare-certified hospice service
29 is covered, subject to utilization controls. Coverage shall be
30 available only to the extent that no additional net program costs
31 are incurred.

32 (x) When a claim for treatment provided to a beneficiary
33 includes both services which are authorized and reimbursable
34 under this chapter, and services which are not reimbursable under
35 this chapter, that portion of the claim for the treatment and services
36 authorized and reimbursable under this chapter shall be payable.

37 (y) Home- and community-based services approved by the
38 United States Department of Health and Human Services for
39 beneficiaries with a diagnosis of AIDS or ARC, who require
40 intermediate care or a higher level of care.

1 Services provided pursuant to a waiver obtained from the
2 Secretary of the United States Department of Health and Human
3 Services pursuant to this subdivision, and which are not otherwise
4 included in the Medi-Cal schedule of benefits, shall be available
5 only to the extent that federal financial participation for these
6 services is available in accordance with the waiver, and subject to
7 the terms, conditions, and duration of the waiver. These services
8 shall be provided to individual beneficiaries in accordance with
9 the client's needs as identified in the plan of care, and subject to
10 medical necessity and applicable utilization control.

11 The director may under this section contract with organizations
12 qualified to provide, directly or by subcontract, services provided
13 for in this subdivision to eligible beneficiaries. Contracts or
14 agreements entered into pursuant to this division shall not be
15 subject to the Public Contract Code.

16 (z) Respiratory care when provided in organized health care
17 systems as defined in Section 3701 of the Business and Professions
18 Code, and as an in-home medical service as outlined in subdivision
19 (s).

20 (aa) (1) There is hereby established in the department, a
21 program to provide comprehensive clinical family planning
22 services to any person who has a family income at or below 200
23 percent of the federal poverty level, as revised annually, and who
24 is eligible to receive these services pursuant to the waiver identified
25 in paragraph (2). This program shall be known as the Family
26 Planning, Access, Care, and Treatment (Family PACT) Waiver
27 Program.

28 (2) The department shall seek a waiver for a program to provide
29 comprehensive clinical family planning services as described in
30 paragraph (8). The program shall be operated only in accordance
31 with the waiver and the statutes and regulations in paragraph (4)
32 and subject to the terms, conditions, and duration of the waiver.
33 The services shall be provided under the program only if the waiver
34 is approved by the federal Centers for Medicare and Medicaid
35 Services in accordance with Section 1396n of Title 42 of the United
36 States Code and only to the extent that federal financial
37 participation is available for the services.

38 (3) Solely for the purposes of the waiver and notwithstanding
39 any other provision of law, the collection and use of an individual's

1 social security number shall be necessary only to the extent
2 required by federal law.

3 (4) Sections 14105.3 to 14105.39, inclusive, 14107.11, 24005,
4 and 24013, and any regulations adopted under these statutes shall
5 apply to the program provided for under this subdivision. No other
6 provision of law under the Medi-Cal program or the State-Only
7 Family Planning Program shall apply to the program provided for
8 under this subdivision.

9 (5) Notwithstanding Chapter 3.5 (commencing with Section
10 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
11 the department may implement, without taking regulatory action,
12 the provisions of the waiver after its approval by the federal Health
13 Care Financing Administration and the provisions of this section
14 by means of an all-county letter or similar instruction to providers.
15 Thereafter, the department shall adopt regulations to implement
16 this section and the approved waiver in accordance with the
17 requirements of Chapter 3.5 (commencing with Section 11340) of
18 Part 1 of Division 3 of Title 2 of the Government Code. Beginning
19 six months after the effective date of the act adding this
20 subdivision, the department shall provide a status report to the
21 Legislature on a semiannual basis until regulations have been
22 adopted.

23 (6) In the event that the Department of Finance determines that
24 the program operated under the authority of the waiver described
25 in paragraph (2) is no longer cost effective, this subdivision shall
26 become inoperative on the first day of the first month following
27 the issuance of a 30-day notification of that determination in
28 writing by the Department of Finance to the chairperson in each
29 house that considers appropriations, the chairpersons of the
30 committees, and the appropriate subcommittees in each house that
31 considers the State Budget, and the Chairperson of the Joint
32 Legislative Budget Committee.

33 (7) If this subdivision ceases to be operative, all persons who
34 have received or are eligible to receive comprehensive clinical
35 family planning services pursuant to the waiver described in
36 paragraph (2) shall receive family planning services under the
37 Medi-Cal program pursuant to subdivision (n) if they are otherwise
38 eligible for Medi-Cal with no share of cost, or shall receive
39 comprehensive clinical family planning services under the program
40 established in Division 24 (commencing with Section 24000) either

1 if they are eligible for Medi-Cal with a share of cost or if they are
2 otherwise eligible under Section 24003.

3 (8) For purposes of this subdivision, “comprehensive clinical
4 family planning services” means the process of establishing
5 objectives for the number and spacing of children, and selecting
6 the means by which those objectives may be achieved. These
7 means include a broad range of acceptable and effective methods
8 and services to limit or enhance fertility, including contraceptive
9 methods, federal Food and Drug Administration approved
10 contraceptive drugs, devices, and supplies, natural family planning,
11 abstinence methods, and basic, limited fertility management.
12 Comprehensive clinical family planning services include, but are
13 not limited to, preconception counseling, maternal and fetal health
14 counseling, general reproductive health care, including diagnosis
15 and treatment of infections and conditions, including cancer, that
16 threaten reproductive capability, medical family planning treatment
17 and procedures, including supplies and followup, and
18 informational, counseling, and educational services.
19 Comprehensive clinical family planning services shall not include
20 abortion, pregnancy testing solely for the purposes of referral for
21 abortion or services ancillary to abortions, or pregnancy care that
22 is not incident to the diagnosis of pregnancy. Comprehensive
23 clinical family planning services shall be subject to utilization
24 control and include all of the following:

25 (A) Family planning related services and male and female
26 sterilization. Family planning services for men and women shall
27 include emergency services and services for complications directly
28 related to the contraceptive method, federal Food and Drug
29 Administration approved contraceptive drugs, devices, and
30 supplies, and followup, consultation, and referral services, as
31 indicated, which may require treatment authorization requests.

32 (B) All United States Department of Agriculture, federal Food
33 and Drug Administration approved contraceptive drugs, devices,
34 and supplies that are in keeping with current standards of practice
35 and from which the individual may choose.

36 (C) Culturally and linguistically appropriate health education
37 and counseling services, including informed consent, that include
38 all of the following:

39 (i) Psychosocial and medical aspects of contraception.

40 (ii) Sexuality.

- 1 (iii) Fertility.
- 2 (iv) Pregnancy.
- 3 (v) Parenthood.
- 4 (vi) Infertility.
- 5 (vii) Reproductive health care.
- 6 (viii) Preconception and nutrition counseling.
- 7 (ix) Prevention and treatment of sexually transmitted infection.
- 8 (x) Use of contraceptive methods, federal Food and Drug
- 9 Administration approved contraceptive drugs, devices, and
- 10 supplies.
- 11 (xi) Possible contraceptive consequences and followup.
- 12 (xii) Interpersonal communication and negotiation of
- 13 relationships to assist individuals and couples in effective
- 14 contraceptive method use and planning families.
- 15 (D) A comprehensive health history, updated at the next periodic
- 16 visit (between 11 and 24 months after initial examination) that
- 17 includes a complete obstetrical history, gynecological history,
- 18 contraceptive history, personal medical history, health risk factors,
- 19 and family health history, including genetic or hereditary
- 20 conditions.
- 21 (E) A complete physical examination on initial and subsequent
- 22 periodic visits.
- 23 (ab) Purchase of prescribed enteral formulae is covered, subject
- 24 to the Medi-Cal list of enteral formulae and utilization controls.
- 25 (ac) Diabetic testing supplies are covered when provided by a
- 26 pharmacy, subject to utilization controls.

27 *SEC. 2. The Legislature finds and declares that, because*
28 *providers have previously been made aware of the change in*
29 *federal law that requires a prescription executed by a prescriber*
30 *in written, nonelectronic form to be covered under the Medi-Cal*
31 *program only when the prescription is executed on a tamper*
32 *resistant prescription form, it is the intent of the Legislature that*
33 *the amendments made by this act to Section 14132 of the Welfare*
34 *and Institutions Code apply retroactively.*

35 *SEC. 3. This act is an urgency statute necessary for the*
36 *immediate preservation of the public peace, health, or safety within*
37 *the meaning of Article IV of the Constitution and shall go into*
38 *immediate effect. The facts constituting the necessity are:*

39 *In order to timely comply with the federal statutory*
40 *implementation date of April 1, 2008, to enhance fraud prevention,*

1 *and to avoid the loss of federal financial participation funding for*
2 *drugs administered in the Medi-Cal program, it is necessary that*
3 *this act take effect immediately.*

4 ~~SEC. 3. Section 14132.103 is added to the Welfare and~~
5 ~~Institutions Code, to read:~~

6 ~~14132.103. (a) For purposes of this section, the following~~
7 ~~definitions shall apply:~~

8 ~~(1) “Federally qualified health center (FQHC)” means an entity~~
9 ~~described in subparagraph (B) of paragraph (2) of subdivision (b)~~
10 ~~of Section 1396d of Title 42 of the United States Code.~~

11 ~~(2) “FQHC services” means services defined in subparagraph~~
12 ~~(C) of paragraph (2) of subdivision (a) of Section 1396d of Title~~
13 ~~42 of the United States Code.~~

14 ~~(3) “Offsite location” means a location other than the FQHC’s~~
15 ~~site or sites.~~

16 ~~(b) (1) If the requirements of this subdivision are met, an FQHC~~
17 ~~may bill the Medi-Cal program for FQHC services delivered at~~
18 ~~offsite locations by a provider who is an employee or a contracted~~
19 ~~member of the staff of the FQHC, and who provides services at~~
20 ~~the FQHC site or sites. For purposes of this paragraph, services~~
21 ~~delivered at offsite locations do not include services delivered at~~
22 ~~the location or locations of the contractor’s business, or any other~~
23 ~~outpatient clinic or physician’s office that provides primary care~~
24 ~~services independently from the FQHC.~~

25 ~~(2) The requirements of Sections 14132.100 to 14132.102,~~
26 ~~inclusive, and of the California Medicaid State Plan shall apply to~~
27 ~~the same extent as if the services were provided at the FQHC’s~~
28 ~~site or sites.~~

29 ~~(3) Employees or contracted members of the staff of the FQHC~~
30 ~~who deliver FQHC services at offsite locations on behalf of the~~
31 ~~FQHC shall be licensed, certified, or registered, as applicable,~~
32 ~~under state law, and maintain written contracts with, or other~~
33 ~~written authorization from, the FQHC to provide services to FQHC~~
34 ~~patients at the offsite locations.~~

35 ~~(4) The FQHC services shall be provided in the offsite location,~~
36 ~~rather than at the FQHC’s site or sites, consistent with the entity’s~~
37 ~~responsibilities as an FQHC, for health or medical reasons.~~

38 ~~(5) To qualify for payment pursuant to this subdivision, all~~
39 ~~inpatient services delivered at offsite locations shall be limited,~~
40 ~~with respect to any particular patient, to initial and subsequent~~

1 followup hospital visits, patient discharges, and obstetrical
2 deliveries. Payments made to an FQHC shall not duplicate
3 payments made to the inpatient hospital for the same service. This
4 paragraph shall not apply to outpatient services delivered at offsite
5 locations.

6 (6) This subdivision shall not be construed to authorize a service,
7 or provision of a service at any location, that does not comply with
8 all applicable federal requirements.

9 (e) The department shall promptly seek all necessary federal
10 approvals in order to implement this section, including any
11 amendments to the California Medicaid State Plan. To the extent
12 that any element or requirement of this section is not approved,
13 the department shall submit a request to the federal Centers for
14 Medicare and Medicaid Services for any waivers or state plan
15 amendments that may make it possible to implement this section.

16 (d) The department shall implement this section only to the
17 extent that federal financial participation is obtained.

18 (e) (1) The department may, until January 1, 2010, adopt
19 emergency regulations to implement this section in accordance
20 with the Administrative Procedure Act (Chapter 3.5 (commencing
21 with Section 11340) of Part 1 of Division 3 of Title 2 of the
22 Government Code).

23 (2) The adoption of emergency regulations described in
24 paragraph (1) shall be deemed to be an emergency and necessary
25 for the immediate preservation of the public peace, health and
26 safety, or general welfare. The emergency regulations authorized
27 by this subdivision shall be submitted to the Office of
28 Administrative Law for filing with the Secretary of State and
29 publication in the California Code of Regulations.

30 (3) Notwithstanding paragraphs (1) and (2), the director may,
31 until January 1, 2010, issue any instructions and forms that are
32 consistent with and necessary to implement and administer this
33 section and any related provisions of the California Medicaid State
34 Plan. The adoption of these instructions and forms shall not be
35 subject to the Administrative Procedure Act (Chapter 3.5
36 (commencing with Section 11340) of Part 1 of Division 3 of Title
37 2 of the Government Code).

38 (4) The emergency regulations, and any instructions and forms,
39 adopted pursuant to this section shall be developed in consultation

- 1 with FQHCs and their representatives, and other interested
- 2 stakeholders.

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